(d) which sector out of the said three sectors is likely to become the most developed sector?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) to (d) Based on employment, entire industrial sector including food processing industries can be broadly classified as organized and unorganized sectors. In terms of gross output, share of the unorganized sector is 23.23% as against 76.77% contributed by the organized sector. Hundred per cent Foreign Direct Investment is permitted in the food processing sector except in the cases of food retailing, plantation and alcholic beverages. Accordingly some MNCs have set up their units for manufacturing of processed food. However the requisite details about MNCs working with Small Scale & Cottage Industries are not centrally maintained in the Ministry.

New format for FPI and agriculture based trade

†1119. SHRI P.K. MAHESHWARI: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether a new format has been prepared with regard to the food-processing policy and strategy for promotion of agriculture based trade;

(b) if so, what are the details of the new format; and

(c) what effective steps are being taken to ensuer adequate availability of raw materials and keep their prices stable?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) to (c) Recently Government had asked M/s Rabo India Finance Private Limited to study *inter alia* the constraints faced by Food Processing Sector and suggest strategies to overcome the same. As per their report, major constraints being faced by food processing sector are inadequate infrastructural facilities, lack of adequate quality control & testing infrastructure, inefficient supply chain, lack of processable varieties of farm produce, seasonality or raw material, high inventory carrying cost, lack of easy and concessional credit/lending by banks, high taxation, high packaging cost, affordability, cultural preference of fresh food etc. In order to address these constraints, a draft National Policy for Food Processing has been prepared. Meanwhile in order to give boost to growth

†Original notice of the question was received in Hindi.

of FPI sector, Government in the year 2004-05 has allowed under Income Tax Act, a deduction of 1000% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. In order to increase export of processed food, financial assistance is provided to FPI units to adopt ISO, HACCP and GMP certification. State Governments have also been approached to carryout necessary amendment in the APMC Act. The amendment shall facilitate marketing of agri produce in a more efficient manner, as well as enable better sourcing by food processing industries.

Policy for construction of cold storages in rural areas

†1120. SHRI BASHISTHA NARAIN SINGH: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) the Government policy with regard to constructing cold storages in rural small towns;

(b) the details of Government's policy to encourage food processing industries in rural areas;

(c) Government's plocy for preservation of vegetable products as well as for the generation of income of small farmers in rural areas; and

(d) The fund allocated to Bihar for constructing small cold storags during this year and the amount utilized therefrom?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) to (b) Ministry of Food Processing Industries, under its Plan Schemes provides financial assistance in the form of grant in aid for setting up as well as for expansion/modernization including increasing of capacity in respect of the following kinds of cold storages in all parts of the country including rural areas:

(i) Cold storage for non-horticulture produce;

(ii) Where the cold storate is an integral part of the processing unit or of the common facilities in food park;

(iii) Special type of cold storage with Controlled Atmosphere/Modified Atmosphere facility.

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